



The First Canadian Bank

Bank of Montreal

AR49

Annual Statement October 31, 1975

Financial Highlights

158th Annual Statement

For the year ended October 31	1975	1974
Balance of Revenue	\$ 195,734,799	\$ 108,992,880
— Per Share	\$5.73	\$3.19
Income Taxes	93,600,000	52,500,000
Balance of Revenue after income taxes	102,134,799	56,492,880
— Per Share	\$2.99	\$1.65
Balance of Profits	81,134,799	44,992,880
— Per Share	\$2.37	\$1.32
Dividends	32,805,000	32,805,000
— Per Share	96¢	96¢
Salaries and benefits paid to employees	273,962,993	221,859,119
As at October 31		
Assets	\$18,242,634,080	\$17,650,974,468
Deposits	16,550,476,748	16,088,761,601
Loans	12,314,667,494	10,625,900,345
Capital Funds	641,184,871	592,855,072
Number of shares	34,171,875	34,171,875
Number of shareholders	51,253	49,756



The First Canadian Bank

Bank of Montreal

Annual General Meeting

Notice is hereby given that the Annual General Meeting of the shareholders will be held at the Château Champlain, Place du Canada, Montreal, on Monday, December 8 next.

The chair will be taken at 11 o'clock a.m.

For the information of shareholders, the valuation day value of the Bank's capital stock for capital gains tax purposes as published by the Department of National Revenue, Taxation, is \$18.50.

Legal Deposit Fourth Quarter 1975

*On peut obtenir sur demande un exemplaire français
(de ce livret)*

Board of Directors

As at October 31, 1975

G. Arnold Hart
Chairman of the Board

Fred H. McNeil
Deputy Chairman and
Chief Executive Officer

William D. Mulholland
President

A. John Ellis
Vice-Chairman,
Resident in Vancouver

Vice-Presidents:

W. A. Arbuckle *Montreal*
Chairman of the Canadian Board,
The Standard Life Assurance Company

A. Searle Leach, O.C. *Winnipeg*
Chairman, Federal Industries Ltd.

Roger Létourneau, Q.C. *Quebec*
Partner, Messrs. Létourneau, Stein,
Marseille, Delisle & LaRue

The Hon. Hartland deM. Molson, O.B.E. *Montreal*
Honorary Chairman,
The Molson Companies Limited

Budd H. Rieger *Toronto*
Vice-President, Canadian
Corporate Management Company
Limited

Lucien G. Rolland *Montreal*
President and General Manager,
Rolland Paper Company, Limited

The Hon. James Sinclair, P.C. *Vancouver*
Chairman, Lafarge Canada Ltd.

Directors:

Sir Peter Allen *London, England*
Industrialist

W. M. Vacy Ash, O.C., LL.D. *Toronto*
Company Director

Charles F. Baird *New York*
Senior Vice-President,
The International Nickel Company of
Canada, Limited

S. Robert Blair *Calgary*
President and Chief Executive Officer,
The Alberta Gas Trunk Line Company
Limited

Charles R. Bronfman *Montreal*
President,
The Seagram Company Ltd.

The Hon. Sidney L. Buckwold *Saskatoon*
Vice-President and General Manager,
Buckwold's Ltd.

F. S. Burbidge *Montreal*
President, Canadian Pacific Limited

E. R. Erskine Carter *Toronto*
Company Director

Pierre Côté *Quebec*
President, Laiterie Laval Limitée

H. Roy Crabtree *Montreal*
Chairman and President,
Wabasso Limited

Andrew C. Crosbie *St. John's, Newfoundland*
President, Crosbie Group of Companies

Nathanael V. Davis *Montreal*
Chairman and Chief Executive Officer,
Alcan Aluminium Limited

Graham R. Dawson *Vancouver*
Chairman and President,
Dawson Construction Limited

Louis A. Desrochers, Q.C. *Edmonton*
Partner,
Messrs. McCuaig Desrochers

John H. Devlin *Toronto*
Chairman, Rothmans of Pall Mall
Canada Limited

Thomas M. Galt *Montreal*
President, Sun Life Assurance
Company of Canada

Roger Gaudry, C.C., D.Sc. *Montreal*
President, International Association
of Universities

J. P. Gordon *Toronto*
President and Chief Executive Officer,
The Steel Company of Canada, Limited

Donald S. Harvie *Calgary*
Senior Vice-President,
Petrofina Canada Ltd.

R. M. Ivey, Q.C. *London, Ont.*
Partner, Messrs. Ivey & Dowler

J. H. Mowbray Jones *Halifax*
Industrialist

David Kinnear *Toronto*
Director, Eaton's of Canada Limited

Raymond Lavoie *Montreal*
President and Chief Executive Officer,
Crédit Foncier Franco-Canadien

Joseph A. Likely *Saint John, N.B.*
President, Jos. A. Likely, Limited

J. Blair MacAulay *Oakville*
Company Director

Hartland M. MacDougall *Toronto*
Executive Vice-President and General
Manager, Central Operations,
Bank of Montreal

Charles S. MacNaughton *Toronto*
Chairman of the Board,
Fry Mills Spence Limited

J. Bartlett Morgan *Montreal*
Chairman of the Board,
The Morgan Trust Company

Donald A. McIntosh, Q.C. *Toronto*
Partner, Messrs. Fraser & Beatty

D. R. McMaster, Q.C. *Montreal*
Partner, Messrs. McMaster, Meighen,
Minnion, Patch, Cordeau, Hyndman &
Legge

Sir David Nicolson *London, England*
Chairman, British Airways Board and
Chairman, Rothmans International Ltd.

The Hon. Victor deB. Oland *Halifax*
Chairman, Lindwood Holdings Limited

H. J. S. Pearson *Edmonton*
President,
Century Sales & Service Ltd.

John G. Prentice *Vancouver*
Chairman of the Board,
Canadian Forest Products Ltd.

Forrest Rogers *Vancouver*
Chairman of the Board,
B.C. Sugar Refinery, Limited

George H. Sellers *Winnipeg*
Industrialist

William M. Sobey *Stellarton, N.S.*
Chairman and Chief Executive Officer,
Sobeys Stores Limited

George C. Solomon *Regina*
President, Western Tractor Ltd.

James C. Thackray *Montreal*
Executive Vice-President,
Bell Canada

Lorne C. Webster *Montreal*
President, Prenor Group Ltd.

H. Richard Whittall *Vancouver*
Deputy Managing Partner,
Richardson Securities of Canada

Committees of the Board

As at October 31, 1975

Executive Committee:

G. Arnold Hart,
Chairman
W. A. Arbuckle
W. M. Vacy Ash, O.C., LL.D.
The Hon. Sidney L. Buckwold
H. Rpy Crabtree
Nathanael V. Davis
Roger Létourneau, Q.C.
D. R. McMaster, Q.C.
Fred H. McNeil
The Hon. Hartland deM. Molson, O.B.E.
William D. Mulholland
John G. Prentice
Budd H. Rieger
Lucien G. Rolland

Audit Committee:

W. A. Arbuckle,
Chairman
Charles R. Bronfman
Pierre Côté
H. Roy Crabtree
G. Arnold Hart
Lorne C. Webster

Pension Advisory Committee:

William D. Mulholland,
Chairman
W. A. Arbuckle
Thomas M. Galt
D. R. McMaster, Q.C.

Management Resources

Committee:

J. P. Gordon,
Chairman
Louis A. Desrochers, Q.C.
G. Arnold Hart
Fred H. McNeil
William D. Mulholland
James C. Thackray

Divisional Committees of the Board of Directors:

Atlantic Provinces

J. H. Mowbray Jones,
Chairman
William M. Sobey,
Alternate Chairman
Andrew C. Crosbie
Joseph A. Likely
The Hon. Victor deB. Oland
Ex-officio, J. R. Ellis,
Vice-President,
Atlantic Provinces Division

Quebec

Lucien G. Rolland,
Chairman
W. A. Arbuckle,
Alternate Chairman
Charles R. Bronfman
F. S. Burbidge
Pierre Côté
H. Roy Crabtree
Nathanael V. Davis
Thomas M. Galt
Roger Gaudry, C.C., D.Sc.
G. Arnold Hart
Raymond Lavoie
Roger Létourneau, Q.C.
D. R. McMaster, Q.C.
Fred H. McNeil
The Hon. Hartland deM. Molson, O.B.E.
J. Bartlett Morgan
William D. Mulholland
James C. Thackray
Lorne C. Webster
Ex-officio,
J. D. C. de Jocas,
Executive Vice-President
and General Manager,
Eastern Operations
C. G. Stratton,
Senior Vice-President,
Operations,
Quebec Division

Ontario

David Kinnear,
Chairman
Donald A. McIntosh, Q.C.,
Alternate Chairman
W. M. Vacy Ash, O.C., LL.D.
Charles F. Baird
E. R. Erskine Carter
John H. Devlin
J. P. Gordon
R. M. Ivey, Q.C.
J. Blair MacAulay
Hartland M. MacDougall
Charles S. MacNaughton
Budd H. Rieger
Ex-officio,
C. F. MacNaughton,
Senior Vice-President,
Ontario
E. J. Kelleher, Vice-President,
Central Operations

Manitoba/Saskatchewan

George C. Solomon,
Chairman
George H. Sellers,
Alternate Chairman
The Hon. Sidney L. Buckwold
A. Searle Leach, O.C.
Ex-officio, R. W. Mackie,
Senior Vice-President,
Manitoba/Saskatchewan Division

Alberta

H. J. S. Pearson,
Chairman
S. Robert Blair,
Alternate Chairman
Louis A. Desrochers, Q.C.
Donald S. Harvie
Ex-officio, R. R. Curtis,
Senior Vice-President,
Alberta Division

British Columbia

The Hon. James Sinclair, P.C.,
Chairman
Forrest Rogers,
Alternate Chairman
Graham R. Dawson
A. John Ellis
John G. Prentice
H. Richard Whittall
Ex-officio, R. J. Kayser,
Senior Vice-President,
British Columbia Division

London, England Committee:

Sir Peter Allen
Sir David Nicolson

Statement of Revenue Expenses and Undivided Profits

For the year ended October 31	1975	1974
Revenue		
Income from loans	\$1,420,694,845	\$ 1,342,211,430
Income from securities	160,418,818	147,670,012
Other operating revenue	124,702,687	92,983,435
Total revenue	1,705,816,350	1,582,864,877
Expenses		
Interest on deposits and bank debentures	1,033,235,753	1,080,961,021
Salaries, pension contributions and other staff benefits	273,962,993	221,859,119
Property expenses, including depreciation	85,119,706	71,735,236
Other operating expenses, including provision for losses on loans based on five-year average loss experience	117,763,099	99,316,621
Total expenses	1,510,081,551	1,473,871,997
Balance of revenue	195,734,799	108,992,880
Provision for income taxes relating thereto (Note 4)	93,600,000	52,500,000
Balance of revenue after provision for income taxes	102,134,799	56,492,880
Appropriation for losses	21,000,000	11,500,000
Balance of profits for the year	81,134,799	44,992,880
Dividends at 96¢ per share	32,805,000	32,805,000
Undivided Profits		
Amount carried forward	48,329,799	12,187,880
Undivided profits at beginning of year	511,322	323,442
	48,841,121	12,511,322
Transferred to rest account	48,000,000	12,000,000
Undivided profits at end of year	\$ 841,121	\$ 511,322

Statement of Accumulated Appropriations for Losses

For the year ended October 31	1975	1974
Accumulated appropriations at beginning of year		
General	\$ 69,582,629	\$ 93,367,418
Tax-paid	36,120,129	23,665,209
Total	105,702,758	117,032,627
Additions (deductions) during year:		
Appropriation from current year's operations	21,000,000	11,500,000
Loss experience on loans for the year, less provision for losses on loans based on five-year average loss experience included in other operating expenses	(16,280,284)	1,901,759
Profits and losses on securities, including provisions to reduce securities other than those of Canada and provinces to values not exceeding market	3,916,364	(27,718,506)
Other profits, losses and non-recurring items, net	5,862,287	1,096,424
Recovery of income taxes, including credit of \$ nil relating to appropriation from current year's operations (Note 4)	2,456,505	1,890,454
Accumulated appropriations at end of year	\$122,657,630	\$105,702,758
Accumulated appropriations at end of year		
General	60,493,623	69,582,629
Tax-paid	62,164,007	36,120,129
Total	\$122,657,630	\$105,702,758

Statement of Rest Account

For the year ended October 31	1975	1974
Balance at beginning of year	\$334,000,000	\$322,000,000
Transferred from undivided profits	48,000,000	12,000,000
Balance at end of year	\$382,000,000	\$334,000,000

Statement of Assets and Liabilities

October 31, 1975

Assets	1975	1974
Cash Resources		
Cash and due from banks (Note 2)	\$ 2,409,754,544	\$ 3,447,022,088
Cheques and other items in transit, net	285,903,605	339,365,552
	2,695,658,149	3,786,387,640
Securities		
Securities issued or guaranteed by Canada, at amortized value	1,606,561,276	1,651,595,856
Securities issued or guaranteed by provinces, at amortized value	163,382,377	100,900,948
Other securities, not exceeding market value	434,674,055	489,950,929
	2,204,617,708	2,242,447,733
Loans		
Day, call and short loans to investment dealers and brokers, secured	273,263,099	218,389,416
Other loans including mortgages, less provision for losses	12,041,404,395	10,407,510,929
	12,314,667,494	10,625,900,345
Sundry Assets		
Bank premises at cost, less amounts written off	161,596,410	149,583,332
Securities of and loans to corporations controlled by the bank (Note 6)	8,439,551	8,439,551
Customers' liability under acceptances, guarantees and letters of credit, as per contra	840,271,458	816,881,268
Other assets	17,383,310	21,334,599
	1,027,690,729	996,238,750
	\$18,242,634,080	\$17,650,974,468

William D. Mulholland,
President

John A. Whitney,
Executive Vice-President and Chief General Manager

Liabilities	1975	1974
Deposits		
By Canada	\$ 238,241,510	\$ 252,449,261
By provinces	191,499,471	258,414,083
By banks	2,795,416,810	3,055,260,709
Personal savings payable after notice, in Canada, in Canadian currency	6,776,841,695	6,340,348,900
Other	6,548,477,262	6,182,288,648
	16,550,476,748	16,088,761,601
Sundry Liabilities		
Acceptances, guarantees and letters of credit	840,271,458	816,881,268
Other liabilities	88,043,373	46,773,769
	928,314,831	863,655,037
Accumulated appropriations for losses	122,657,630	105,702,758
Capital Funds		
Debentures issued and outstanding (Note 3)	190,000,000	190,000,000
Shareholders' Equity		
Capital stock –		
Authorized –		
50,000,000 shares of \$2 each		
Issued and fully paid –		
34,171,875 shares	68,343,750	68,343,750
Rest account	382,000,000	334,000,000
Undivided profits	841,121	511,322
Total Shareholders' Equity	451,184,871	402,855,072
Total Capital Funds	641,184,871	592,855,072
	\$18,242,634,080	\$17,650,974,468

Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the Statement of Assets and Liabilities of the Bank of Montreal as at October 31, 1975 and the Statement of Revenue, Expenses and Undivided Profits and the Statement of Accumulated Appropriations for Losses for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and

other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1975 and its revenue, expenses and undivided profits and accumulated appropriations for losses for the year then ended.

Lionel P. Kent, C.A.,
of the firm of
Thorne Riddell & Co.

John W. Beech, F.C.A.,
of the firm of
Touche Ross & Co.

Auditors

Montreal, November 25, 1975.

Controlled Corporations

Bank of Montreal Trust Company (Incorporated under the laws of the State of New York)

Statement of Assets and Liabilities (U.S. Currency)	Sept. 30 1975	Sept. 30 1974
Assets		
Due from banks	\$ 268,489	\$ 697,392
United States government securities (Note 5)	1,295,563	1,295,563
Other securities (Note 5)	382,028	762,229
Loans and advances	4,062,025	4,787,340
Other assets	372,649	227,292
Total Assets	\$6,380,754	\$7,769,816
Liabilities		
Demand deposits	\$2,859,646	\$4,502,683
Income taxes	10,898	37,632
Other liabilities	41,473	47,756
	2,912,017	4,588,071
Shareholders' Equity		
Capital stock –		
Authorized, issued and fully paid – 10,000 shares of \$100 each	1,000,000	1,000,000
Surplus	1,000,000	1,000,000
Undivided profits	1,468,737	1,181,745
	3,468,737	3,181,745
Total Liabilities and Shareholders' Equity	\$6,380,754	\$7,769,816

Bankmont Realty Company Limited And its wholly-owned subsidiary company (Incorporated under the laws of Canada)

Consolidated Statement of Assets and Liabilities	Oct. 31 1975	Oct. 31 1974
Assets		
Cash	\$ 807,656	\$1,152,307
Accounts receivable	5,740	31,906
Other assets	128,159	121,414
Real estate and buildings – at cost less accumulated depreciation	7,824,904	7,493,007
Total Assets	\$8,766,459	\$8,798,634
Liabilities		
Accounts payable	\$ 68,879	\$ 81,206
Mortgage payable	1,709,175	1,738,555
	1,778,054	1,819,761
Shareholders' Equity		
Capital stock –		
Authorized –		
30,000 5% non-cumulative preferred shares		
of the par value of \$100 each (redeemable at par)		
100,000 common shares without nominal or par value		
Issued and fully paid –		
19,500 preferred shares	1,950,000	1,950,000
100,000 common shares	5,000,000	5,000,000
	6,950,000	6,950,000
Retained earnings	38,405	28,873
	6,988,405	6,978,873
Total Liabilities and Shareholders' Equity	\$8,766,459	\$8,798,634

Notes to Financial Statements

Bank of Montreal

1. Wholly-owned Consolidated Subsidiaries

The financial statements of the Bank include the assets and liabilities and results of operations of the following wholly-owned subsidiaries:

Bank of Montreal (Bahamas & Caribbean) Limited	First Canadian Assessoria e Serviços Ltda.
Bank of Montreal (California)	First Canadian Financial Corporation B.V.
Bank of Montreal Jamaica Ltd.	and subsidiaries
Bank of Montreal Trust Corporation Cayman Limited	First Canadian Financial Services (U.K.) Limited

2. Cash and Due from Banks

1975

1974

Included in Cash and Due from Banks are term deposits at interest	\$ 1,761,431,758	\$2,662,146,166
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3. Debentures

The debentures are direct unsecured obligations of the Bank and are subordinated in right of payment to the claims of depositors and certain other creditors of the Bank.

7% Series A redeemable in 1978, at holder's option, 7½% thereafter, maturing in 1992	\$ 50,000,000	\$ 50,000,000
7½% Series B redeemable in 1977, at holder's option, 7% thereafter, maturing in 1982	40,000,000	40,000,000
7% Series C redeemable in 1979, at holder's option, maturing in 1987	50,000,000	50,000,000
10% Series D, maturing in 1980	50,000,000	50,000,000
	\$ 190,000,000	\$ 190,000,000

4. Provision for Income Taxes

Under revised rules issued in 1974 by the Minister of Finance, transfers to accumulated appropriations for losses are not deductible in the current year in the determination of taxable income. The provision for income taxes in the Statement of Revenue, Expenses and Undivided Profits is computed by reference to the balance of revenue. The total income taxes for 1975, net of recovery, amounts to \$91,143,495 (1974 - \$50,609,546).

Controlled Corporations

5. Securities

Securities of the Bank of Montreal Trust Company are carried at cost (approximate market value \$1,586,000).

6. Interest of Bank of Montreal in Controlled Corporations

Investment in shares - at cost		
Bank of Montreal Trust Company	\$ 1,489,551	\$ 1,489,551
Bankmont Realty Company Limited	6,950,000	6,950,000
	\$ 8,439,551	\$ 8,439,551

Auditors' Report to the Shareholders of the Bank of Montreal

We have examined the statements of assets and liabilities of the controlled corporations as at the dates indicated. Our examinations included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the accompanying statements of assets and liabilities present fairly the financial position of the corporations as at the dates indicated.

Montreal, November 25, 1975

Lionel P. Kent, C.A.,
of the firm of Thorne Riddell & Co.
John W. Beech, F.C.A.,
of the firm of Touche Ross & Co.
Auditors

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 8500
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